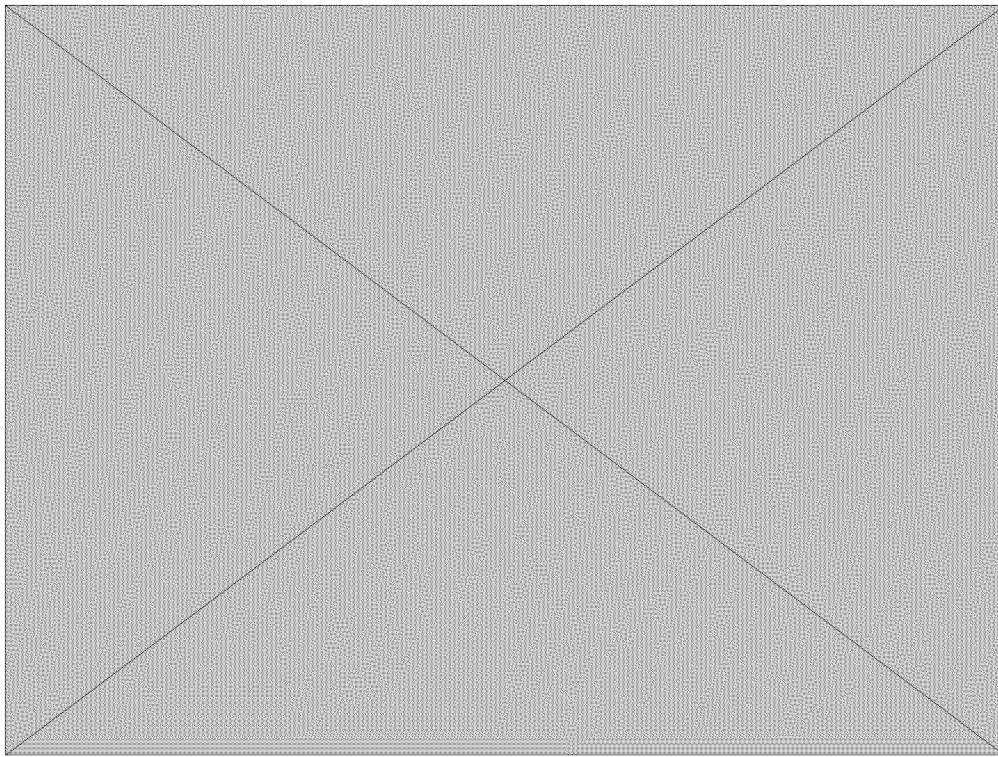


To: Hagler, Tom[Hagler.Tom@epa.gov]
From: Barbara Barrigan-Parrilla, Restore the Delta
Sent: Sun 10/19/2014 4:00:30 PM
Subject: The Resnick Farming Story: Water, Money, Taxes, Campaigns, & the Bond

Who are these Corporate Ag Businesses and how did they end up gaining so much control over our Water, Money, Taxes, Campaigns and the Bond?

Is this email not displaying correctly?
[View it in your browser.](#)



Water, Money, Taxes, Campaigns, and the Bond: The Resnick Farming Story
By Barbara Barrigan-Parrilla and Various Associates

Articles

- 1. Farming Water**
- 2. Farming Money**
- 3. Farming Tax Deductions**
- 4. Farming Legislative Support**
- 5. Farming Prop. 1 and Past Water Bonds**
- 6. The Resnick Farming Story**

Read the entire newsletter at our website.



Farming Water

Today we're going to consider some shenanigans going on down around the end of the Delta-Mendota Canal, the second of the two canals that convey water south out of the Delta. (This is the federal Central Valley Project – CVP – facility; the other is the State Water Project's California Aqueduct — SWP.)

The Delta-Mendota Canal ends west of Fresno where a channel called Fresno Slough connects the Kings River to what is left of the San Joaquin River. The Mendota Dam there creates a reservoir called the Mendota Pool which is used to hold water to irrigate crops.

Nearby are the communities of Mendota and Firebaugh, with their serious employment problems and their water quality challenges.

Farmers in that region have gamed ground water pumping for years by putting pumps next to the federal Delta Mendota Pool and pumping the water out back into the state and federal canals only to resell it to the taxpayers or to take it back for irrigation. In the 1990s, Westlands growers were the main beneficiaries of these practices, but lately the Resnicks have joined the pool pumpers. That is because the Resnicks now farm in numerous west side San Joaquin Valley water districts, in addition to Kern County.

Starting in 2005, the Resnicks purchased a number of Paramount Farm parcels in Madera and Fresno Counties, adding over 15,000 acres to their 150,000 acre operations in Kern County. (See the attached acreage spreadsheet.) The Resnicks have purchased land along the San Joaquin River and the Delta Mendota Pool area just south of Los Banos and west of Firebaugh. They also own property near Fresno Slough. So, we now have Paramount Orchards Partners in the Mendota Pool area, where groundwater pumping and transfers are already in full swing.

The possibilities are endless. Resnick can pump water from the San Joaquin River, from groundwater, and from the Central Valley Project and State Water Project aqueducts. He can move water from Westlands to his operations in Kern County, while taking Delta water directly from the SWP in Kern County as well. And once the water reaches Kern County, he can store it for a dry day in the Kern County Water Bank, of which he owns a controlling majority, and then sell the water for a profit. One source tells us that he is using Westlands water to process almonds at his new processing plant. Quite a creative use for federal irrigation water.

Farming Money

The tentacles of Paramount Farms spread far and wide, with controlling interests in

Berrenda Mesa, Belridge, and Dudley Ridge water districts on the west side of the San Joaquin Valley. Berrenda Mesa and Dudley Ridge have already been involved in huge water sales, including the sale by Dudley Ridge landowner John Vidovich of paper water to the Mojave Water Agency for \$73 million. If the Resnicks were to sell the 22,000-plus acre feet of Dudley Ridge water they control under the same conditions and price, it would be worth more than \$200 million to the Resnick bottom line.

This isn't about growing food to feed people in the U.S. or anywhere else. Never mind decent jobs or water for the region's disadvantaged agricultural workers. For Resnick, this is about the potential to make a LOT of money controlling water.

Farming Tax Deductions

Many suggest corporations were attracted to the Central Valley not out of a love of farming but because of the tax benefits afforded to farmers if they grew permanent crops. During the 1960s, the Internal Revenue Service allowed investors to immediately write off their entire share of development costs for growing almonds and other permanent crops. While some, but not all, of these advantages were removed for almonds in the 1970s, they all still exist for pistachios, and non-citrus fruits like pomegranates. Thus, despite droughts and lack of water, permanent crops continue to be planted. Permanent crop acreage has vastly expanded since the last drought in 2009, including new plantings of almonds in 2014. Guess there are still advantages to farming tax deductions.

So is this why "farmers" like Stewart Resnick continue to plant permanent crops and buy up thousands of acres in an area like the west side where it rains less than 7 inches a year? We think the main course for Stewart Resnick is to control water supplies, but with a dish of tax advantages on the side. Plus, campaign contributions indicate his intent is to have even greater access to subsidized water via Proposition 1 with its nearly \$1 billion marked for "river and stream" purchases that can be taken from the Bay-Delta estuary for export. Additionally, with his ability to pump water from each and every source in the San Joaquin Valley, some extra storage projects for a little bit of new water, paid for in great part by tax payers, would provide even greater flexibility for his water transfers.

Farming Legislative Support

From January, 2013 through June, 2014 Stewart and/or Lynda Resnick,/Paramount Farm Companies contributed \$206,000 to Senate and Assembly races throughout the state. These Senate and Assembly maps show the enormous reach of Resnick's influence on politics in Sacramento. Some of his most generous contributions were made to those in charge of specific committees or sitting on committees that work on water and the environment and agriculture, or to legislators who serve in important watershed areas. (Please note that under Stewart Resnick's name, contributions have only been updated through June,

2014.) We have not yet seen if additional contributions flowed from him to the Capitol in the weeks before the passage of the water bond. [Click here](#) to see if your representative received contributions from the Resnick empire.

Resnick's reach is so vast that his contributions even made it into the campaign coffers of several Delta legislators. Dr. Richard Pan (Assem-9th District) received \$3,000.00; Senator Cathleen Galgiani (Sen-5th District) received \$4,000.00; and Assemblymember Susan Eggman (Assem-13th District), and Chair of the Assembly Agriculture Committee received \$5,000.00. It is worth noting that these three legislators have raised very little in contributions from local farmers, and less than 20% from businesses and people within the districts that they represent. (We will return to that subject later.)

It should also be noted on the Federal side that Stewart Resnick has been even more generous with our two Senators and Central Valley Congressional Representatives who are working on legislation at the Federal level to take even more water from the Delta.

Farming Prop. 1 and Past Water Bonds

Since 2000, California has spent about \$20 billion in water bonds and interest. The titles of these past bonds, like Prop 1, carry the promise of a safe, clean, and reliable drinking water supply. That is why we must ask: "Where is the water in this drought to show for all the billions borrowed?"

The bond pitch is always "clean drinking water," "safe drinking water," but it is never delivered. From 2000 to 2006, voters approved a total of \$15.47 billion in new debt (before interest) to meet the same needs for which we are being told Prop 1, (\$7.2 billion in new debt; \$14.4 billion with interest payback) will deliver.

Let's take a stroll down memory lane:

* **Proposition 12**: The Safe Neighborhood, Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 — \$3.8 billion (with interest); Voter approved debt \$2.1 Billion in 2000.

* **Proposition 13**: The Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Act of 2000 — \$3.4 billion (with interest); Voter approved debt \$1.97 Billion in 2000.

* **Proposition 40**: The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 — \$4.3 billion (with interest); Voter approved debt \$2.6 Billion in March 2002.

* **Proposition 50**: The Water Quality, Supply, and Safe Drinking Water Projects (Coastal Wetlands Purchase and Protection) Act of 2002 — \$5.7 billion (with interest); Voter approved debt \$3.4 Billion in Nov 2002.

* **Proposition 84**: Bonds for Clean Water, Flood Control, State and Local Park Improvements Act of 2006 — \$10.5 billion (with interest) Voter approved debt

\$5.4 Billion in 2006.

Do any of our readers remember this promise from **Prop 84?**

“\$1 billion in funding for integrated regional water management. These funds will provide grants to increase water supply, reduce demand, and protect water quality. The result will be an additional 1 million acre feet of water per year for California.”

The Resnick Farming Story

To say the least, it is frightening how much influence one corporate agribusiness can exercise over the operations of the state and federal water system in California through a combination of land purchases, tax breaks, and campaign contributions to a large pool of California legislators. Worse, Paramount farms even works they system through contributions to Delta legislators, Central Valley Congressional Representatives, and our two Senators. This of course does not include the \$150,000 that Stewart Resnick has contributed to the Prop 1 Campaign coffers, as part of the \$850,000 contributed in total by big ag to Governor Brown’s campaign for the bond.

Here at ground zero — the Delta — we are calling on Assemblymember Pan, Senator Galgianni, and Assemblymember Eggman to return the contributions that they have received from Stewart Resnick. To take money from Stewart Resnick, whose entire mission is to control water exports from this magnificent estuary, destroying our home in the process— all for his expanding corporate empire — is wrong. Their campaign coffers are far from empty. If they feel that they need these few extra thousand dollars to win their campaigns, then they should hold some picnic or pancake fundraisers within their districts so they can reconnect with those who love the Delta.

More importantly, the Resnick story makes it clear why we all should reject Prop 1. Until water rights are adjudicated in California so that “farmers” like Resnick cannot game the system, the system cannot be fixed. In the meanwhile, legislators need to take an accounting of where the money has been spent from past bonds, and create a bond that is solely for groundwater cleanup, recycling, conservation, storm water capture, near-term drought measures, ensuring that poor communities will have their drinking water problems solved, and for the development of new water technology that will make us water efficient. What we don’t need is another bond that makes Stewart Resnick richer.

[follow on Twitter](#) | [friend on Facebook](#) | [forward to a friend](#) | [donate to Restore the Delta](#)

Copyright © 2014 Restore the Delta, All rights reserved.

You are receiving this e-mail because you signed up for our mailing list to receive updates and news about Restore the Delta.

Our mailing address is:

Restore the Delta
10100 Trinity Parkway, Suite 120
Stockton, CA 95219

[Add us to your address book](#)

[unsubscribe from this list](#) | [update subscription preferences](#)